

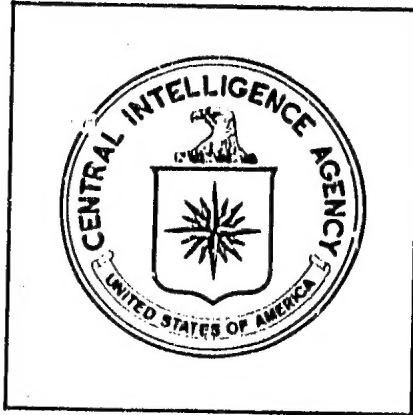
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SOVIET UNION - EASTERN EUROPE

This publication is prepared for regional specialists in the Washington community by the USSR - Eastern Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Approximately 875 Jews emigrated from the Soviet Union in March; this is the lowest monthly total in more than three years. The number of emigrants has been dropping steadily since the turn of the year. The first quarter total for 1975--just over 3,000--is nearly 50 percent below the comparable figure for 1974.

The Soviets are apparently reducing the flow by discouraging applications, rather than by increasing outright refusals. They have mounted a psychological campaign emphasizing the problems emigrants will face in Israel and the West, while making it clear that would-be emigrants will have a tough row to hoe before they can get out of the USSR. Applications for emigration remain subject to loss of employment and other forms of harassment, as well as to the considerable expense of obtaining exit permits.

At the same time they are cutting back the total number of emigrants, the Soviets are applying the carrot and the stick to Jewish activists. Recently, several have been allowed to emigrate, for example, but two others have been sent into exile for a brief Moscow street demonstration. Moscow's policy may be to get rid of the most articulate Jewish activists, particularly those who are well known in the West, and to intimidate the others.

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Tito Speaks in Kosovo

On his visit to Kosovo from April 3-5, President Tito reassured local officials that Belgrade intends to help ameliorate problems in the under-developed province. He also called again for stabilization in the Balkans through improved Yugoslav relations with Albania.

Tito's primary purpose was clearly to quell speculation following a small student demonstration last December that there were serious problems in Kosovo. He pointed out that the economic development and political stability of Kosovo was linked to Yugoslavia's over-all fate. Tito criticized the northern republics for objecting to special federal aid to the less-developed southern regions and specifically promised that the government in Belgrade would soon increase aid to the Kosovo. Tito also warned against unspecified foreign attempts to exacerbate problems in Kosovo. In a typically bold move on Friday, Tito also took his case directly to Pristina University--the site of the December disturbances.

Although Tito concentrated on local problems, he did make a special plea for improved relations with neighboring Albania. Warning that third parties would try to drive a deeper wedge between Albania and Yugoslavia, he argued for the understanding of his countrymen regarding Albania's occasional regression into anti-Yugoslav polemics. Tito said he believes the Albanian leadership wants to improve relations with Yugoslavia and thus stabilize this important sector of the Balkans.

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Hungarian Economic
Delegation in Moscow

A top-level Hungarian economic delegation, led by Premier Fock, arrived in Moscow on April 7. The rank and composition of the delegation--which ostensibly will open an exhibit on Hungary--suggest that it is prepared for major talks with the Soviets on bilateral cooperation in industrial development.

Aside from Fock, the "party-government" delegation includes fellow Politburo member Karoly Nemeth, party secretary for economic policy; deputy premier Matyas Timar, who oversees industrial development; and the minister of heavy industry. The group will be joined later by the minister of foreign trade and a deputy foreign minister.

The Hungarians may have gone to Moscow to work out details of the Soviet credits and concessions recently granted to Budapest to help offset the burden of higher prices for Soviet raw materials. Budapest is eager to prune back some of its less efficient industrial sectors and to increase outlays for priority sectors. The talks could touch on Hungarian problems in modernizing its aluminum industry, expanding the chemical industry, and meeting its obligation to help construct the Orenburg gas pipeline in the USSR.

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Soviets Woo Argentina with
Additional Credits

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[REDACTED] Argentina has been selected as a pilot country in a new Soviet effort to undercut western economic influence in Latin America. Argentina reportedly was selected because it would be more willing to accept economic aid and investments than other countries in the region.

While the Soviets can hardly hope even to approach the massive levels of US investment in Latin America, they have been willing to put up some money. In 1974, Moscow extended, through new open-ended agreements, at least \$215 million in credits to Argentina--the largest sum it has granted any country in Latin America except for Cuba and Chile under Allende's rule. The Soviets are particularly interested in large scale hydroelectric power projects. Here, the Soviets offer attractive financing which Western governments find difficult to match, and are willing to work within consortia. For instance, Moscow has made bids on several projects, and will supply and install 14 turbines for the Salto Grande hydroelectric project. The Peron government has recently given Moscow its approval to begin a feasibility study and to do design work on the Parana River Dam projects. Such large-scale investment projects as Salto Grande and the Parana will not only enable Moscow to show what it can do but will also eventually help to minimize the ongoing trade deficit the Soviets have with Argentina.

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[REDACTED] Moscow reels that Argentine labor and youth groups might be useful in promoting Soviet economic and political inroads. For the moment,

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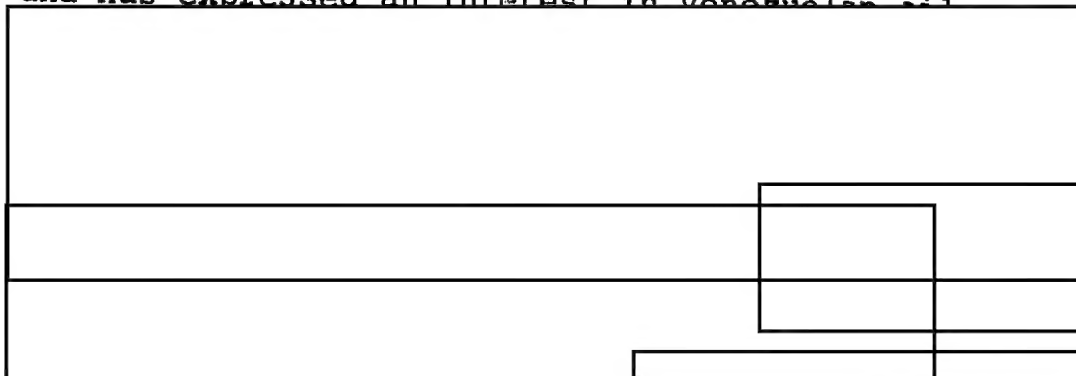
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there is no sizable pro-Soviet element in any of these groups, and the Argentine Communist Party has little influence.

Moscow is not neglecting the rest of South America while it pursues its Argentine policy. The Soviets have maintained an active political interest elsewhere, notably in Peru, although economic cooperation there does not nearly match the credits extended to Argentina. In addition, Moscow has been holding talks on further economic cooperation with Brazil and has expressed an interest in Venezuelan oil.



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